



Billing Code 3410-05-P

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

Notice of Funds Availability (NOFA); Biofuel Infrastructure Partnership (BIP) Grants to States

AGENCY: Commodity Credit Corporation and Farm Service Agency, USDA.

ACTION: Notice.

SUMMARY: The Commodity Credit Corporation (CCC) is announcing the availability of competitive grants to fund States, the Commonwealth of Puerto Rico, and Washington, D.C. (referred to as “States” in this document), with respect to activities designed to expand the infrastructure for renewable fuels. BIP grantees must provide matching contributions with a goal of a one-to-one basis to the CCC funds. The CCC funds must be used to pay a portion of the costs related to the installation of fuel pumps and related infrastructure dedicated to the distribution of higher ethanol blends, for example “E15” and “E85,” at vehicle fueling locations, including, but not limited to, local fueling stations, convenience stores (CS), hypermarket fueling stations (HFS), or fleet facilities. The matching contributions may be used for these items or for additional related BIP costs such as additional infrastructure to support pumps, marketing, education, data collection, program evaluation, and administrative costs associated with the application process.

DATES: Applications: Applications must be submitted using [www.grants.gov](http://www.grants.gov) by July 15, 2015.

Comments: To comment on the information collection request in the Paperwork Reduction Act Requirements section of this document, we will consider comments we receive by **[Insert 60 Days from Publication in the FEDERAL REGISTER]**.

FOR FURTHER INFORMATION CONTACT: Katina Hanson, telephone (202) 720-3175.

#### SUPPLEMENTARY INFORMATION:

##### Background

U.S. farmers are producing record amounts of feedstocks for renewable fuels. However, lower commodity prices, paired with this record production, have created uncertain times for U.S. feedstocks producers. Biofuels, which contribute to energy security, reduce air pollution, and support rural economic development, are an important market for U.S. feedstock producers. Infrastructure constraints and other barriers currently limit the market for biofuels and thereby the commodities used to produce them, contributing to lower commodity prices. In particular, the nation's fueling infrastructure is not sufficiently flexible to accommodate large additional quantities of higher ethanol blends that could enable biofuels to fill a significantly greater portion of the nation's fuel supply. Most vehicle fueling pumps can deliver only one type of fuel – E10, which contains a maximum of 10 percent ethanol. Fuels containing a higher percentage of ethanol are also available; the most prevalent of these fuels are those containing 15 percent ethanol (“E15”) and those containing more ethanol than gasoline (“E85” refers to blends between 51 percent and 83 percent ethanol).

These higher blend fuels are compatible with a significant portion of the nation's vehicle fleet. After extensive testing by the Department of Energy, in 2012 EPA approved E15 for use in vehicles for the 2001 and newer model years. Approximately 80 to 85 percent of the 250 million vehicles registered in the United States are able to use E15.<sup>1</sup> In addition, there are approximately 14 million flex-fuel vehicles (FFVs) in the United States; these vehicles can utilize E85. Based on 2014 fuel consumption levels, these vehicles – vehicles for the 2001 and new model years, plus FFVs – together had the capacity to consume approximately 26 billion gallons of ethanol in the form of E15 and E85 in 2014. However, E15 and E85 actual 2014 sales levels only accommodated 100 to 200 million gallons of ethanol. Use of E15 in 2014 was limited by the very small number of vehicle fueling stations choosing to market it, which number fewer than 200 out of a total of more than 150,000 vehicle fueling stations nationwide. Similarly, the number of vehicle fueling stations offering E85 was about 3,000 by the end of 2014, representing only about 2 percent of vehicle fueling stations nationwide.<sup>2</sup> In addition, while price data is limited, it appears that the limited network of E15 and E85 vehicle fueling stations means that consumers are not seeing the full price benefits that these higher blends could offer.

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<sup>1</sup>Source: Data from personal communication with the Clean Fuels Development Coalition.

<sup>2</sup>Source: DOE's National a Renewable Energy Lab and from data collected under DOE's Clean Cities program.

It is clear, then, that fueling infrastructure constraints limit the distribution of higher blends. Other factors may also be important, such as education, marketing, and pricing of higher blends at both the retail and wholesale level.

#### BIP Description

The overall goal of BIP is to increase biofuel consumption in the form of ethanol. BIP is intended to drive innovative public-private partnerships to implement more comprehensive approaches to marketing higher levels of ethanol by cost-sharing for the installation of infrastructure for higher blends of ethanol in general. Higher blends of renewable fuel offer significant potential for increasing the use of renewable fuels in the U.S. gasoline pool, and BIP could help substantially increase ethanol consumption.

CCC is an agency and instrumentality of the United States within the Department of Agriculture and operates under the supervision of the Secretary of Agriculture. Among the activities that section 5 of the CCC Charter Act authorizes CCC to undertake are actions to:

- Make available materials and facilities required in connection with the production and marketing of agricultural commodities (other than tobacco) and
- Increase the domestic consumption of agricultural commodities (other than tobacco) by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities.

Under this authority, CCC will make available not more than \$100 million in the form of grants to States to assist in the implementation of activities to expand the infrastructure for renewable fuels derived from agricultural products produced in the United States. BIP will be administered under the general supervision of the Farm Service Agency (FSA) Administrator (who also serves as the Executive Vice-President of CCC) and the FSA Deputy Administrator for Farm Programs.

Applicants must provide funds or in-kind contributions from non-Federal sources to match the receipt of CCC funds with a goal of at least a dollar-for-dollar basis. In the event that qualifying applications for funds exceed the total amount made available by CCC, those applications with a higher proportion of funds versus in-kind contributions will be given a corresponding higher priority by CCC in the award of these grants. Accordingly, an applicant may enter into arrangements with private entities such as, but not limited to, commercial vendors of automotive fuel, agricultural commodity promotional organizations, Tribes, and other entities interested in the promotion of renewable fuels in order to secure such non-Federal funds or in-kind contributions.

CCC funds made available under BIP may only be used for infrastructure to support higher ethanol blend utilization, including:

- Blender pumps that can dispense a range of ethanol blends including E85 (new pumps or retrofit of existing pumps), capped at 75 percent CCC share per pump;
- Dedicated E15 or E85 pumps (new pumps or retrofit of existing pumps), capped at 75 percent CCC share per pump; and

- New storage tanks and related equipment associated with new facilities or additional capacity (replacement is not included), capped at 25 percent CCC share per tank.

BIP grants may not be used for marketing, education, administration, research, testing, and other non-infrastructure expenses.

Applicants' contributions must consist of funds or in-kind contributions.

Contributions may be used to support higher ethanol blend utilization through:

- Any activity for which CCC funds may be used;
- Marketing and educational expenses associated with BIP;
- Data collection and program evaluation costs associated with BIP;
- Administrative costs associated with BIP; and
- Expenses specifically set forth in the grant agreement executed with CCC.

As described in the "Application Selection Criteria" section below, proposals must include and will be scored on a number of elements.

## Eligibility

States, which as specified above in the Summary section includes the 50 states , the Commonwealth of Puerto Rico, and Washington, D.C., that desire to participate in BIP must submit an application by July 15, 2015, through [www.grants.gov](http://www.grants.gov). In [grants.gov](http://grants.gov), to find BIP, search on funding opportunity number USDA-FSA-2015-22.

Applications must include, but are not limited to, the executive summary, work plan, and budget information using Application for Federal Assistance –construction (SF-424) forms. (See [grants.gov](http://grants.gov) for more details about the specific application requirements.)

Multiple States may submit a combined regional proposal instead of separate proposals, especially if a joint proposal creates synergies or increased efficiencies

There are a number of existing or prior State-led programs to help provide funding for blender pumps. These State-led programs generally provide equipment grants or tax incentives. These existing programs may be included as part of the matching contribution in the application; however, the application needs to show how the BIP grant will add to the growth of biofuel infrastructure in the State beyond the existing program. The funding provided by BIP will provide additional incentives. Grant recipients will be able to use the funds to purchase, install, and enhance blender pumps dedicated E15 and E85 pumps, storage tanks and related equipment, or to modify existing dispensers.

The result of a successful application will be a one-time grant, consistent with the terms specified in the grant. Successful applicants will be required to sign a grant agreement with CCC. The grant agreement will include reporting and recordkeeping requirements. It is possible that not all of the funds will be expended, if insufficient qualified applications are received. All applications are subject to the approval of CCC, and CCC reserves the right to reject any and all applications.

## Application Selection Criteria

CCC will evaluate how the applications will increase the use of ethanol using the evaluation criteria specified in this NOFA and grants.gov to select the applications that best support the BIP goals. A proposal must include the following information and this information will be used by CCC in the awarding of grants:

- The total amount of CCC funds requested;
- The total amount of the matching funds provided by the applicant;
- The total amount of other contributions provided by the applicant;
- The total amount of matching funds and other contributions provided by private entities such as, but not limited to, commercial vendors of automotive fuel, agricultural commodity promotional organizations, Tribes, and other entities interested in the promotion of renewable fuels;
- The ratio of the matching funds or other contributions in relation to the requested CCC funds;
- Plan to increase the number of consumers who have access to multiple vehicle fueling stations that offer higher ethanol blends within a specific geographic area;
- An estimate of the number of consumers who will have access to higher blends through the proposed project;
- Degree that blender pumps are prioritized in the proposal to enable more flexibility and consumer choice as demand for additional blends grows;

- Current volume of ethanol sales, and an estimate of the increased volume of ethanol sales that the proposal is expected to generate over the lifecycle of the infrastructure investment;
- Estimate of the increased number of FFVs;
- Proposed plan to collect and provide data and other information necessary to evaluate the program (for example, collect and report data on sales and retail and wholesale pricing of higher ethanol blends by fueling station recipients, or describe outcomes of public education and marketing, such as number of consumers contacted, etc.);
- Proposed public education and marketing plan (for example, the placement of blender pumps or dedicated E15 or E85 pumps within the vehicle fueling stations, signage about the availability and merits of higher ethanol blends, and the promotion of FFVs for proposals that include E85 infrastructure);
- Proposed program evaluation approach (for example, randomized trials) to identify which approaches are the most effective at promoting use of higher ethanol blends;
- Other elements that can increase ethanol use, such as efforts to improve the wholesale distribution system or pricing to ensure higher blends are priced fairly based on energy content;
- An explanation of how the BIP grant will add to the growth of biofuel infrastructure in the State beyond any existing program;

- Demonstration of capacity to operate the proposed program by documenting existing or previous efforts to support biofuels utilization and infrastructure;
- A description of how the program will address maintaining and enhancing qualifying infrastructure (that is, blender pumps, dedicated E15 or E85 pumps, new storage tanks and related equipment), including, but not limited to, the minimum length of time that supported infrastructure and pumps must be used to dispense the higher ethanol blends, any foreseen participation barriers, as well as a description of financial incentives the program provides to purchase or enhance qualifying infrastructure; and
- A description of how the applicant(s) will complete an environmental evaluation of the proposal consistent with the National Environmental Policy Act.

#### Process for Evaluation of Applications and Award of Grants

After applicants submit applications, FSA, on behalf of CCC, will screen each application to determine whether the applicant is eligible and whether the application is complete and sufficiently responsive to the requirements specified in this NOFA so as to allow for an informed review. Applicants may revise their applications and re-submit them prior to the published deadline if there is sufficient time to do so. FSA will appoint an inter-agency review panel to evaluate the applications. During the evaluation period, FSA may contact an applicant to seek modification of the proposal.

If the total amount requested in the applications exceeds the available funding, CCC may use additional criteria for selection which could include, but not be limited to:

- The distribution of funds between applicants;
- The distribution of funds between new programs and existing programs;  
and
- The need to target funding to increase demand for different blends of ethanol.

Each State may only submit one application; the application may include one or more projects. States may work together to submit a joint regional application instead of individual applications. Minimum and maximum grants to each applicant will be determined following the application period and before the funds are awarded.

The resulting BIP grant agreements will be between the States and CCC.

States must fully expend Federal funds by December 31, 2016, with an opportunity for extension upon approval by CCC.

#### Responsibilities of Participants

Successful applicants will be required to sign an agreement with CCC and provide detailed budget and schedule information. The agreement will require periodic program achievement reports. The agreement will require the grantee to commit to do all of the following:

- Take all practicable steps to develop continuing sources of financial support from other State, Federal, or private resources;

- Make arrangements for the monitoring and evaluation of the activities of the State-led project(s), including information about the pumps, infrastructure, recipients, and anything else the grant funds are used to support; and
- Provide an accounting for the money received by the grantee.

During the term of the grant, the grantee will be required to obtain prior approval for any changes to the scope, objectives, or funding allocation of the approved agreement. Failure to obtain prior approval of such changes may be considered a violation, and in such case the grantee may be required to return all grant funds. Grantees will be required to monitor funds or services as follows, and must agree that monitoring before grant funds are awarded. Specifically, the grantee must certify that the CCC funds will not be used to:

- Duplicate or replace current services; however, grant funds may be used to expand the level of effort or service beyond what is currently being provided;
- Pay costs of preparing the application for funding through BIP;
- Pay costs of the project incurred prior to the date of grant approval;
- Fund political activities or lobbying efforts;
- Pay any judgment or debt owed to the United States;
- Pay for the repair of privately owned vehicles;
- Pay for salaries, overhead, and related expenses; or
- Pay for research.

Failure of the grantee to execute a grant agreement in a timely fashion, as determined by FSA, will be construed to be a withdrawal from BIP.

#### Distribution of Grant Funds and Reimbursement of Unused Funds

CCC expects to transfer funds to the selected State applicants before September 30, 2015. The grants announced in this NOFA will not be subject to sequestration if the funds are obligated by CCC during fiscal year 2015. Sequestration for certain federal funds is required by the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, which mandates that federal agencies implement automatic, annual reductions to discretionary and mandatory spending limits.

#### Paperwork Reduction Act Requirements

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), OMB approved an emergency information collection request on BIP so FSA can begin the application period upon publication of this NOFA. FSA is also requesting comments from all interested individuals and organizations on a new information collection request. Although the information collection is one-time activity for the applications, FSA will need to continue this request for the approval beyond the 6-month emergency approval to address the on-going reporting requirement. Therefore, the information collection request will be submitted to the Office of Management and Budget following the subsequent required 30-day comment period.

In the emergency request, BIP will only apply to 2015 funding applications for blender pumps, other pumps, and related infrastructure dedicated to higher ethanol blends at vehicle fueling stations, including local fueling stations, CSs, HFSs, or fleet facilities.

The burden for the BIP collection of information includes both the upfront one-time application and the on-going reporting, which will include mid-year and an annual reporting. The reporting may include additional reports for projects that run longer. The estimate of the annual burden reflects the average of the one-time and the annual information collection activities. These estimates were prepared based on the variety of forms and other information collection methods that will be used by the states.

Title: The Biofuel Infrastructure Partnership.

OMB Number: 0560–0284.

Type of Request: New information collection.

Abstract: This information collection is needed for FSA to identify eligible States for funding for fuel pumps and related infrastructure to encourage increased ethanol use. FSA requires each State to submit an application to FSA on a form specified by FSA. States will be required to report on the funding distribution, which may require third party reporting depending on how the States distribute the funds.

The formula used to calculate the total burden hours is “the estimated average time per response (including travel time)” times “the total estimated annual responses.”

Respondents: States.

Estimated Number of Respondents: 36.

Estimated Number of Responses per Respondent: 14.

Estimated Total Annual Response: 504.

Estimated Average Time per Response: 1.07 hours.

Estimated Total Annual Burden on Response: 540 hours.

NOTE: The applicants will apply once and report once per year, however, due to the number of forms involved, it is estimated that the number of responses is 14.

We are requesting comments on this information collection to help us:

- (1) Evaluate whether the collection of information is necessary for the proper performance of the agency, including whether the information will have practical utility;
- (2) Evaluate the accuracy of the agency's estimate of burden, including the validity of the methodology and assumptions used;
- (3) Enhance the quality, utility, and clarity of the information to be collected; or
- (4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

All responses to this notice, including names and addresses, when provided, will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

Catalog of Federal Domestic Assistance

The title and number of the Federal assistance in the Catalog of Federal Domestic Assistance to which this NOFA applies is 10.117, Biofuel Infrastructure Partnership.

Signed on June 11, 2015.

Val Dolcini,  
Administrator,  
Farm Service Agency, and  
Executive Vice President,  
Commodity Credit Corporation.

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